

## Message Text

CONFIDENTIAL

PAGE 01 BUDAPE 03064 221056Z

17

ACTION EUR-12

INFO OCT-01 ISO-00 L-03 FCSC-01 EB-07 TRSE-00 /024 W

----- 063193

R 220931Z SEP 75

FM AMEMBASSY BUDAPEST

TO SECSTATE WASHDC 4251

C O N F I D E N T I A L BUDAPEST 3064

E.O. 11652: GDS

TAGS: PFOR, EFIN, L/C, HU

SUBJ: BLOCKED FORINT ACCOUNTS

REF A: BUDAPEST 3123, 8 NOVEMBER 1974

B: BUDAPEST 1820, 11 JULY 1974

1. ECONOFF DISCUSSED BLOCKED ACCOUNT ISSUE SEPT 18 WITH GOH MINISTRY FINANCE OFFICIAL AKAR, WHO ADVANCED FRESH GOH ARGUMENT NOT RECORDED IN EMBASSY FILES: BLOCKED ACCOUNTS INDEED QUOTE OUTSTANDING UNQUOTE ITEM FALLING UNDER PREAMBLE OF CLAIMS AGREEMENT BECAUSE FORINTS WERE NOT CONVERTIBLE AND READILY AVAILABLE TO CLAIMANTS. ACCORDING AKAR, U.S. NEGOTIATORS INTENDED TO SETTLE THIS ISSUE BY ADDING THE EXTRA \$250,000 (REF B).

2. AKAR THEN STATED QUOTE OFF THE RECORD UNQUOTE THAT THE ISSUE COULD BE SETTLED EASILY ONCE OTHER PROBLEMS, SUCH AS JOHNSON ACT RESTRICTIONS, RESOLVED. HOWEVER, AKAR ALSO THREW IN NEW INGREDIENT SINCE ISSUE DISCUSSED WITH GOH IN NOVEMBER 1974 (REF A). AKAR INCLUDED SUCCESSFUL RESOLUTION MFN PROBLEM AS PART OF QUID-PRO-QUO.

3. COMMENT: EMBASSY BELIEVES HUNGARIANS PREPARED TO GIVE ON THIS ISSUE IN RETURN FOR SUCCESSFUL RESOLUTION OF JOHNSON ACT/WORLD WAR I DEBT PROBLEM. THEY MIGHT FOLD SOONER IF THEY CONNECT DELAY IN OUR REPLY TO THEIR REQUEST RE WORLD WAR I DEBT TO OUR DISPLEASURE WITH THE CANCELLING OF THE  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BUDAPE 03064 221056Z

BLOCKED FORINT ACCOUNTS.

4. PLEASE ADVISE.  
MCAULIFFE

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BLOCKED ASSETS, GOVERNMENT DEBTS, NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 22 SEP 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** CunninFX  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975BUDAPE03064  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D750327-0851  
**From:** BUDAPEST  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750927/aaaaaxtn.tel  
**Line Count:** 64  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EUR  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** CunninFX  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 04 JUN 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <04 JUN 2003 by BoyleJA>; APPROVED <10 OCT 2003 by CunninFX>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** BLOCKED FORINT ACCOUNTS  
**TAGS:** PFOR, EFIN, US, HU  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006